

Coffee Shop Business Model Analysis

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Abstract

In line with the increase of coffee enthusiasts in Indonesia, coffee shops are now emerging roommates presents the enjoyment of local coffee in a distinctive way. One of the coffee shops that has a typical way is a Klinik Kopi. The purpose of this study: 1) to identify the Klinik Kopi business model, 2) to analyze internal and external factors that affect the Clinical Coffee business activities and, 3) to formulate strategies and improvement programs as the business development of the Klinik Kopi. This study uses a combination of business model canvas (BMC) approach and SWOT matrix analysis. Results of the study show that optimizing the main resources to create a new value proposition in designing future business models in the form of socio-entrepreneurship programs and business inspiration books influences every element of the business model canvas, namely an increase of carried out in key activities, key partners, channels, segments consumers and incoming revenue streams. Consumer relationships need to be improved in an effort to maintain customer segments.

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1. Introduction

Coffee is a major tropical commodity traded worldwide to contribute half of the total exports of tropical commodities. Based on the USDA (2016) and ICO (2018), Indonesia is the fourth largest coffee producer in the world after Brazil, Vietnam and Colombia in 2016. According to the Ministry of Agriculture (2016), Indonesia is known in the world as a speciality coffee through various variants of coffee and civet coffee. Known arabica coffee from Indonesia includes Lintong coffee and Toraja coffee. Popularity and appeal of the coffee world, mainly due to the unique taste and is supported by a factor of history, traditions, social and economic interests (Ayelign et al 2013). In addition, coffee is a natural source of caffeine substances that can lead to increased alertness and reduced fatigue.

According to ICO (2018), the consumption of coffee in Indonesia has grown in recent years. In height demands of coffee lovers in Indonesia makes good business opportunities for entrepreneurs from overseas coffee shops like Starbucks, Coffee Bean and others. This is very unfortunate for the fourth largest coffee producing country in the world because to enjoy their own coffee production the community must pay more to the outside coffee shop entrepreneur. In line with the increase of coffee enthusiasts in Indonesia, now a coffee shop business is starting to emerge that serves the pleasure of Indonesian coffee in a distinctive way.

One of which has a specific coffee shop is a Klinik Kopi. Coffee shop, located on Jl. Kaliurang KM. 75 Yogyakarta started its business since July 2013, the Klinik Kopi offers many options Coffee Arabica coffee beans from all over Indonesia. Klinik Kopi in doing business not only presents a local coffee but also provide education and unique experience of enjoying the coffee brew. Running a coffee shop business must be supported by good planning in order to face the competition of business, given the intense competition in the field of food and beverage business that requires businesses to continue to enhance creativity and innovation so that the business continues. According to Giesen et al (2010), business model innovation is very important in achieving the success of an organization in the present and future, were rapidly changing and increasingly complex environmental conditions require organizations to adapt through new business models to deal with changes that occur.

The purpose of this research is to identify Klinik Kopi business models, analyze the internal and external factors affecting Klinik Kopi business activities and, to formulate a strategy and program improvement as Klinik Kopi business development.

2. Literature Reviews

Understanding the business model seen from components namely business model consists of product components, benefits, income, consumer, assets, knowledge, connections, structures and governance (Saraswati et al, 2014). The business model canvas which aims to visualize ideas, logic thinking and framework for businesses. In the development of innovation in the business model is very important but very difficult to achieve. The business model is believed to be explained very well through nine basic building blocks that show the way of thinking about how a company generates money. The advantages of the canvas are a unique business model that uses a canvas painting tools (in visual form) so it is easier to be understood by the reader than using the writing (Ibnussina, 2015). Osterwalder and Pigneur create a canvas model approach, namely "Nine Building Blocks" which make it easier for businesses to build and grow their business. Nine Building Blocks consist of Customer Segments, Value Propositions, Channels, Customer Relationship, Revenue Streams, Key Resources, Key Activity, Key Partnership, and Cost Structure. Nine blocks of the underlying logic show how companies generate revenue.

According to Osterwalder and Pigneur (2016), to understand the "design space" better business model then four main areas are created in the business environment, namely: 1) market forces, 2) industry forces, 3) key trends, and 4) macro-economic forces. Internal environmental factors on a business model can be identified by the use of four aspects: product, customer interface, infrastructure management, and the financial aspect. Vrahnakis et al (2016) describe the product, customer interface, infrastructure management, and the financial aspect represents the nine elements of the business model canvas.

The ability to understand the business environment enables companies to evaluate all different directions better when the business model change so as to create a business model of the future (Ibnussina, 2015). Jannah et al (2013) suggested that a tool used to draw up strategic factors is the company's SWOT matrix can clearly describe how external opportunities and threats facing the company can be solved with its strengths and weaknesses. According to Sugiyono (2015), a SWOT analysis comparing external factors (opportunities and threats) and internal factors (strengths and weaknesses). Comparison of internal and external factors in the SWOT analysis will determine the best strategies that can be used by the company.

3. Research Methods

The study was conducted at the Klinik Kopi located at Km 7.5 Jalan Kliurang Gang Bima, Ngagglik, Sleman, Yogyakarta. When the study of the Moon from April to June 2018. The data used in this study consisted of primary data obtained directly from respondents through questionnaires to 50 visitors Klink Coffee, in-depth interview with the owner Klinik Kopi and observations to obtain data supporters about the real state or condition Klinik Kopi objective this time with direct observation and real. Secondary data were obtained from literature regarding the coffee shop business environment conditions taken from journals, books, and government regulations. Data processed with Business Model Canvas (BMC), the analysis of the internal and external environment, SWOT and analyzed descriptively to formulate business development strategies and programs

4. Results

Klinik Kopi is one of the coffee shops in Yogyakarta which offers genuine coffee treats from various regions in Indonesia, a coffee shop owned by Firmansyah was founded in July 2013. With the theme of the clinic with the concept of home-based shop. Klinik Kopi attracts customers to come through the way of differentiation with other coffee shops that are presenting its arabica coffee variants from across the country, and the feel of being close to its visitors.

Klinik Kopi Business Model Current

Analysis to identify business models at the Klinik Kopi using a business model canvas of Osterwalder and Pigneur. Klinik Kopi business model identification conducted to obtain information in-depth description of the business run. Based on in-depth interviews with owner Klinik Kopi with reference to the nine elements of the business model canvas, then the business model at the Klinik Kopi can be mapped as in figure 1.

Business Model Canvas

Team or Company Name:

Klinik Kopi

date:

June 2018

☒ primary Canvas

☐ alternative Canvas

Key Partners <ul style="list-style-type: none"> • Coffee farmers Koprasi Solok Rajo, Classic Beans, Bu Murti, Koprasi Putri • Kaloka Pottery • Food outlets Dapur Tetangga • Moka POS • BCA Bank 	Key Activities <ul style="list-style-type: none"> • Supplies and roasting coffee beans • Making the tool makers and merchandise • Service • Marketing Key Resources <ul style="list-style-type: none"> • Tangible land, buildings, equipment, human resources, raw materials, suppliers, financial resources • Intangible brand, science coffee processing, business processes, innovation 	Value Proposition <ul style="list-style-type: none"> • Quality local coffee brew • Customer interaction with the barista and coffee education • Coffee appliance, merchandise, and snacks • The uniqueness of the place of service and comfortable atmosphere 	Customer Relationships <ul style="list-style-type: none"> • The personal service • Social media • community Channels <ul style="list-style-type: none"> • Direct sales force • Web Klinik Kopi • Tokopedia 	Customer Segments <ul style="list-style-type: none"> • Coffee Lover • Traveller • Other coffee shops
cost Structure <ul style="list-style-type: none"> • Purchase of raw materials • Operating costs • Salary labour • marketing costs • The development costs • The cost of making merchandise 		revenue Streams <ul style="list-style-type: none"> • Sales of steeping coffee and coffee beans • Sales of equipment makers and merchandise • Sales of snacks 		

Figure 1. Klinik Kopi business model currently

1. Customer Segments

Klinik Kopi Business is Business to Customer (B2C) and Business to Business (B2B). B2C customer groups are those coffee lovers and tourists who purchase the product for consumption. B2B group is another coffee shop customers who buy green coffee bean as well as tools for resale.

2. Value propositions

The value propositions offered by the Klinik Kopi to its customers is to enjoy steeping authentic Indonesian coffee, get education about the planting process to serve coffee from baristas, enjoy the atmosphere of the tavern as a place to socialize. The Klinik Kopi also offers snacks, coffee brewers and merchandise.

3. Channels

Type channels Klinik Kopi is direct sales. According to Osterwalder and Pigneur (2016), direct sales gives an advantage because in the delivery of value proposals the company can directly interact with customers so that they can directly evaluate the value proportions that they create.

4. Customer relationship

Klinik Kopi builds Customer relationship with direct communication, through the community, and through social media online like Instagram, Twitter, websites and youtube.

5. Revenue Streams

Revenue streams on Klinik Kopi derived from sales of products to customers, the sale of steeping coffee, coffee beans, Koka, merchandise, and snacks. Sales of these products are influenced by the willingness of customers to pay each product value proposition offered.

6. Key Activities

Key activities company needs business model can work. Key activities of Klinik Kopi are operations that include the supply of raw materials and the process of roasting coffee beans, making tools and merchandise makers, service activities, and marketing.

7. Key resources

Key resources are resources that are needed Klinik Kopi in the running of key activities to produce a value proposition to be offered to the consumer segments through channels to get revenue streams. Based on observations and interviews with Klinik Kopi management, key resources that are owned Klinik Kopi divided into two, namely tangible includes land, buildings, equipment, raw materials, and suppliers and intangible includes brands, coffee processing science, business processes, and innovation.

8. Key partnerships

Key partnerships Klinik Kopi is a local farmer archipelago, both farmer groups and individual farmers. Klinik Kopi also works closely with Kaloka Pottery in the manufacture of Koka dripper. To meet the snacks, Klinik Kopi in collaboration with local snacks producer namely Dapur Tetangga. Klinik Kopi financial activities cooperate with Moka POS, as partner sales administration. BCA is partner Klinik Kopi in the procurement of EDC used in serving the non-cash payments

9. Cost structure

Cost structure on the business model Klinik Kopi is value driven or motivated value, which is focused on maximizing the creation of value compared to the cost of production. This is evident from the company's efforts to create and deliver the best quality on the results of steeping coffee. Based on observations and interviews with Klinik Kopi management, Cost structure consists of costs of raw materials, labour wages, marketing costs, operating costs, development costs, and the cost of making merchandise.

Internal Business Environment Analysis

Internal environmental analysis aims to determine the internal factors that affect the company's performance. Analysis of the internal environment is an identification process strengths and weaknesses which come from within the company. Identification of internal factors can be done

using the four aspects that can represent the nine elements of the business model canvas, the fourth aspect of it is the product, customer interface, infrastructure management, and the financial aspect, (Osterwalder and Pigneur 2016).

1. Product

Based on identification, Klinik Kopi in creating the product has a strong character and own standard operating procedure for business activities. Both of these factors are the strength of the Klinik Kopi. Having a strong character with the concept of the coffee shop a home, have a unique service like health clinic, telling the story about the background of the product presented, and provide education about ways of processing and presentation of coffee, and has a standard operational procedure in doing business with the set quality coffee beans, the coffee brewing process, and operational time.

2. Customer interface

There are two things that affect the customer interface is a powerful customer relationship activities with the communication ability good and fairly long queue times. Time queuing becomes the internal weakness of the Klinik Kopi in the Customer interface, this is because in the service of one queue number takes ten to twenty minutes. Long service time is influenced by the number of customers at each queue number, for customers who come in groups and will customarily serve together in one queue number

3. Infrastructure management

For Klinik Kopi paramount in infrastructure management is good management skills in business process coffee shop, this greatly affects the operational and financial activities. Good management also serves to answer the challenges of uncertainty of raw materials due to many factors such as weather and damage in shipping, and handling of raw materials that are easily damaged.

4. Financial aspect

Aspect finance owned by the Klinik Kopi comes from personal funds for the opening of the store and along with the development of the store all financial resources come from product sales, this makes a strong financial source for the Klinik Kopi.

External Business Environment Analysis

External analysis of the company are factors outside the company who can influence the direction and actions of the company and ultimately affect the company's internal processes. The external analysis aims to identify and evaluate trends and events that are beyond company control. External environment analysis focuses on environmental business models. Osterwalder and Pigneur 2016, dividing the neighbourhood into four business models, namely: 1) market forces, 2) industry forces, 3) key trends, and 4) macro-economic forces. Understanding the environment helps companies to adapt business models to be more effective to shift the negative external forces and harness the power of positive external.

1. Market Forces

The strength of the market is composed of five factors. The first issues of the market, changes in people's lifestyles Indonesia pushed the coffee processing industry in the country to experience a

significant increase. Increased consumption of coffee in Indonesia cannot be separated from the role of the coffee shop, according to data from the Association of Indonesian Coffee Exporters and Industry, each year increasing coffee consumption.

The second is a market segment, Klinik Kopi in determining the market segment that focuses on a niche market of coffee lovers. This study uses 50 respondents coming from subscribers Klinik Kopi shop to know this market segment. The results obtained are known 68 per cent of a coffee connoisseur, and 32 per cent is not a coffee connoisseur. Customers are dominated by students 34 per cent, and 38 per cent are private employees.

The third is the need and demand, characteristics of customers who come to the Klinik Kopi currently dominated by customers who want to enjoy a coffee. Results of the questionnaire are known that customer demands are met is by 46 per cent for good coffee, 46 per cent for a cosy atmosphere, and the remaining others. Pelayanan quality is an important variable in meeting the needs and demands, this time at the Klinik Kopi service was rated very well by customers by 94 per cent of customers good and excellent categories for services provided Klinik Kopi

The fourth is the cost of moving, customers who come to the Klinik Kopi majority are a new customer, the customer categories which came less than 5 times, namely 86 per cent. New customers must be given good service to have a high level of satisfaction so that customers become loyal. The reason each customer to return visit to the Klinik Kopi is quite diverse, with 36 per cent wanting to come back because the service was good, 34 per cent as good coffee

The fifth is the allure of revenue, clinic name is not just a coffee shop name only, but has become a culinary destination in Yogyakarta. Klinik Kopi besides offering coffee brewed also produces other products such as coffee beans, tool makers, and merchandise. Such products strengthen the positioning of Klinik Kopi than other coffee shops.

2. Industry Forces

Industrial strength has five factors. The first is a competitor, level of competition can be measured by several parameters such as the number of competitors, the industry growth rate, characteristics of competitors, product differentiation, strategic company level, barriers and out of the industry, and the magnitude of transition costs (Ghaffari, 2014). The results of interviews with the Klinik Kopi owner obtained information from the main competitor from the Klinik Kopi is nothing, the owner explained that the coffee shop business had its own fans.

The second is a new player, culinary business sector is very competitive, it is not uncommon in many new players popping up with unique ideas and concepts. The emergence of new entrants indicates that the business is still very promising. Newcomers in the coffee shop industry focus more on facilities tavern to attract customers cause an increase in operating costs to the business model is not efficient

The third is the replacement of products and services, the emergence of coffee shops that try to offer the same concept of drinking coffee as Klinik Kopi. Following the concept of an existing coffee shop cannot be as good as the coffee shop imitated, because the resulting value proposition will be different. The fourth is suppliers and value chain actors, the Coffee Clinic

partners with several groups of farmers and individual farmers to fulfil raw materials. The group of farmers who are the biggest suppliers are Solok Rajo from West Sumatra. In partnering the Klinik Kopi is not dependent on its current partners because each year the Klinik Kopi is looking for new coffee beans and new partners. The fifth is stakeholders, the Klinik Kopi is a coffee shop run by a family where business can be categorized as a small business, this makes the Klinik Kopi advantage because it can take a business decision faster.

3. Key Trends

The key trend has four factors in it. First, technological trends, technological developments have an impact on the application of management and business development. The technological trend in the coffee shop industry today is the use of manual brewing, for manual brewing coffee lovers is a good method to get the best coffee flavour. Information technology also has an important role in marketing because Indonesian people are active online social media users

The second is the regulatory trend, regulation is a factor related to government policies. Government regulations can have a direct or indirect impact on a business, including a coffee shop business. The Ministry of Industry also provides policies on the coffee processing industry that is included in the food industry and priorities to be developed contained in PP No. 14 Year 2015, and the provision of income tax facilities on PP No.18 Year 2015 for new investments in the coffee processing industry. The Indonesian coffee shop industry received attention from the finance ministry with the increase in import duty rates for processed coffee products (roasted coffee, ground coffee, instant coffee, mix coffee) from 5 per cent to 20 per cent through the Finance Minister Regulation No.132 Year 2015.

The third is the trend of society and culture, drink coffee normally be mandatory for parents but now coffee has become a favourite drink of youth. Currently, there are many cafes which became a gathering place for young people, with a menu mainstay coffee. The fourth is the socio-economic trends, the development of the coffee shop business in Indonesia besides being driven by the role of the government through its policies is also due to the interest of the people who are consumers of coffee shops. The important role of the community as a customer of a coffee shop makes coffee a trend.

4. Macro Economic Power

There are four factors in the macro-economic forces. The first condition of the global market, global market is a worldwide market open to all businesses. In the global market, the export of processed coffee products nationwide in 2014 reached 322.6 million US dollars, an increase of 10.6 percent in 2016. Growth in the consumption of processed coffee products in the country increased by an average of seven percent per year, it makes the effort coffee shops have sprung up. The second is the capital market, to meet the government's capital Yogyakarta provide convenience to micro, small and medium enterprises to obtain financing in the department of cooperatives contained in Yogyakarta Governor Regulation No. 68 Year 2015, but for capital, Klinik Kopi relies on personal capital.

The third is commodities and other resources, the availability of quality coffee beans is inseparable from the supply of farmer partners who have collaborated with the Klinik Kopi. Facing the uncertainty of the supply of coffee beans, the Klinik Kopi cooperates not only with one partner, and every year the

Klinik Kopi is looking for new partners. Fourth is economic infrastructure, infrastructure is a basic facility or structure built with the aim of supporting social and economic activities. Public infrastructure to support the business activities of the Klinik Kopi can be categorized quite well. Government policy in influencing the condition of infrastructure does not have a direct impact on the Klinik Kopi, because the location of the Klinik Kopi is in a suburban residential neighbourhood.

SWOT Analysis

The SWOT matrix describes how management analyzes internal factors and external factors to be implemented in the improvement business model. The results of observations and interviews with the owners of the Klinik Kopi formulated a SWOT matrix. The internal factors that are the strength of the Klinik Kopi are that the Klinik Kopi has a strong character and has a standard operational procedure for its business activities, quality products with diverse variations and educational values as well as background stories for each product, having strong customer relationships with communication skills both through online social media, the cleanliness and convenience of coffee shops, the uniqueness of the services provided and the ability to produce creative ideas, and internal factors that are the weaknesses of the Klinik Kopi are easily damaged raw materials, lack of human resources that can replace baristas, parking areas that inadequate. The external factors that become the opportunity for the Klinik Kopi are the government support through policies on the coffee shop industry, the changing lifestyle trends in enjoying coffee, the diverse potential of coffee bean resources in Indonesia, the large market potential, namely from adolescence to adulthood, availability technology that helps business activities, while external factors that threaten the sustainability of the Klinik Kopi business are the uncertain supply of stable coffee beans, the high level of competition and a large number of substitute products and services.

The results of the SWOT matrix provides four strategic recommendations. The first strategy strengths - opportunities: creating promotional activities are creative (training brewing, the cooperation of the shop the other to create event), a book on the coffee (the story behind the coffee beans, how brewing, series searching journey of coffee beans, a story of inspiration and motivation business), make coffee appliance manuals and merchandise (t-shirts, hats, stickers, etc.). Both strategies strength - the threat: cooperation with many suppliers, and increase consumer loyalty. The third strategy of weakness - opportunity: using computerized technology in inventory, recruitment of qualified resources, the construction of supporting facilities. The fourth strategy weaknesses - threats: finding alternative quality coffee beans that have interesting stories and flavours, conducting barista recruitment and improving infrastructure

Based on the SWOT matrix, a combination of internal and external factors is considered. The combination obtained is used as a reference in developing the Klinik Kopi business model development in the future. The results of the SWOT Analyst conducted to project the Klinik Kopi position in the first quadrant, namely the quadrant with an aggressive growth strategy. The position of the Klinik Kopi in quadrant 1 is very profitable where the company has the opportunity and strength so that it can maximize the opportunities that exist. The right strategy to use is the S-O strategy, namely: Creating creative promotional activities, making books about coffee, and making manual coffee makers and merchandise.

Klinik Kopi Business Development

The changing trend in the community in enjoying coffee has encouraged the development of coffee shops in Indonesia. Today many coffee shops are popping up, ranging from small scale to large scale. Facing increasingly competitive business competition and uncertainty in business requires every entrepreneur to develop his business model so that the business is run can be sustainable. According to Amanullah et al (2015), developing a business model with a canvas business model requires provisions to choose and become the basis for consideration in choosing the elements to be developed.

Formulation development of business models Klinik Kopi in the future be obtained from the evaluation of the business model, the analysis of internal and external environment and SWOT analysis through discussion with the owner Klinik Kopi to maximize opportunities through the internal strength possessed by the Klinik Kopi and minimizes weaknesses and overcomes existing threats without changing the concept and purpose of the Klinik Kopi. Klinik Kopi business model development in accordance with the nine elements of the business model canvas can be seen in Figure 2.

Business Model Canvas

Team or Company Name:
Klinik Kopi

date:
June 2018

☐ primary Canvas
☒ alternative Canvas

Key Partners <ul style="list-style-type: none"> • Coffee farmers Koprasi Solok Rajo, Classic Beans, Bu Murti, Koprasi Putri • Kaloka Pottery • Food outlets Dapur Tetangga • Moka POS • BCA Bank • <u>Publishers, printing and bookshop</u> • <u>Office of SMEs and private</u> • <u>SMEs (manufacture merchandise)</u> 	Key Activities <ul style="list-style-type: none"> • Supplies and roasting coffee beans • Making the tool makers and merchandise • Service • Marketing • <u>Training/training coffee farmers and aspiring barista</u> • <u>writing book</u> Key Resources <ul style="list-style-type: none"> • Tangible land, buildings, equipment, human resources, raw materials, suppliers, financial resources • Intangible brand, science coffee processing, business processes, innovation 	Value Proposition <ul style="list-style-type: none"> • Quality local coffee brew • Customer interaction with the barista and coffee education • Coffee appliance, merchandise, and snacks • The uniqueness of the place of service and comfortable atmosphere • <u>Socio-entrepreneur</u> • <u>Inspirational stories and motivational business</u> 	Customer Relationships <ul style="list-style-type: none"> • The personal service • Social media • community Channels <ul style="list-style-type: none"> • Direct sales force • Web Klinik Kopi • Tokopedia • <u>Bookstore</u> 	Customer Segments <ul style="list-style-type: none"> • Coffee Lover • Traveller • Other coffee shops • <u>Office of SMEs and private</u> • <u>Community of coffee lovers</u> • <u>candidates barista</u>
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<i>Cost Structure</i>	<i>Revenue Streams</i>
<ul style="list-style-type: none"> • Purchase of raw materials • Operating costs • Salary labour • marketing costs • The development costs • The cost of making merchandise • Book printing costs 	<ul style="list-style-type: none"> • Sales of steeping coffee and coffee beans • Sales of equipment makers and merchandise • Sales of snacks • <u>bookselling</u> • <u>Payment of training or training</u>

Description: Underline (creating), **Bold** (increase)

Figure 2. Klink Kopi business model development

The development carried out was adjusted to the objectives of the Coffee Clinic, namely the desire to share the knowledge and experience of a coffee shop business with the public at large. The most suitable element for this is key resources. According to Amin et al (2018), creation of new business models to make sustainability a business.

1. Key Resources

Based on the results of the evaluation of the business model, key elements of resources have the power and opportunity to develop. The strength of key resources mainly supported by the owner of knowledge in the processing of coffee, do business and innovation processes.

2. Value Proposition

Creation of new value results from the resources owned which makes Klinik Kopi as socio-entrepreneur gives the story of inspiration and motivation business. Socio-entrepreneur can be realized by serving markets less attention

3. Key Activities

Key activities that are added are writing for inspirational and motivational business books and a series of training activities coffee. The second key activity is the training of coffee, this activity has two objectives, namely coffee farmers and aspiring barista.

4. Key Partnership

In the business development model, Klinik Kopi added a publisher, printing and bookshops to realize value proposition inspirational and motivational storybook business. Realizing the social-entrepreneur value proposition of the Klinik Kopi can cooperate with government agencies such as SME and private agencies. In increasing the manufacture of merchandise the Klinik Kopi can work with local SMEs.

5. Cost Structure

Klinik Kopi business model development raises new fee structure, namely, the cost of printing for the book business story of inspiration and motivation. Structure costs increased due to the creation of a new value proposition is operating costs, development costs, and the cost of making merchandise.

6. Customer Segment

Klinik Kopi business model development targeting new customer segments, namely, the community of coffee lovers, prospective barista, SMEs and private agencies.

7. Channels

With the development of new business models, Klinik Kopi requires to increase its distribution channels in order to facilitate the delivery of value proposition to the customer segment that bookstore. The function of the bookstore as well as forms of existence channels Klinik Kopi and strengthening brand image.

8. Customer Relationship

Customer relationships are built Klinik Kopi with direct communication or through social media such as Instagram needs to be improved. According to Yatiimah (2018), visitors Klinik Kopi is not just coffee drinkers, they also consume a chat, and information on social media accounts Klinik Kopi.

9. Revenue Streams

On the development of the planned business models, new sources of revenue are income from the sale of books, payment of training and increase sales revenue merchandise.

Managerial Implications

From the results of the research, a business model development strategy was created which refers to increasing key resources Managerial implications related to key resources are coffee processing science, process business, and innovation owned by the Coffee Clinic owner, which is the most important and difficult resource to be copied by competitors. Given the importance of these resources, the Coffee Clinic needs to carry out Knowledge Transfer both orally and in writing aimed at maintaining the resources they have.

5. Conclusion and Suggestion

Conclusion

The results of picture identification Klinik Kopi business model is currently known consumer segment is another coffee shop, tourists, and coffee lovers. Value proposition is steeping coffee, customer interaction and education of coffee, coffee appliance, merchandise, snacks, and comfort. Channels are direct interactions, web and Tokopedia. Customer relationship is personal assistance, social media, and the community. Revenue streams generated from the sale of steeping coffee and coffee beans, brewing and merchandise equipment sales, as well as snacks. Key Resources consists of tangible and intangible resources. Key activities include inventory activities, manufacture and merchandise tool makers, service, and marketing. A key partnership is Kaloka Pottery, Food outlets Dapur Tetangga, Moka POS, BCA Bank, and coffee farmer.

Internal factors that influence Klink Kopi activities are a strong character, standard operational procedure for business activities, strong customer relations, uncertainty and damage to raw materials, good management ability, and strong financial resources. External factors that influence the activities of the Coffee Clinic are: in the field of market strength covering market issues, market segment needs and revenues, and income attractiveness, in the field of industrial strength including suppliers and other chain value actors, in key trend areas including technology trends, regulatory trends, community and cultural trends, and socio-economic trends, in the field

of macroeconomic strength in global markets for commodities and other resources. Recommendations strategy and program improvements that can be awarded based on the results of research to business development is a key element of development resources.

Suggestion

Based on the research that has been done, it is suggested to be applicable to the development of business models that have been formulated and the need to study further examined in greater detail on the efficiency and effectiveness of the business model, the use of other analytical tools that can produce the assessment strategy as a priority.

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